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In the Supreme Court of the United States

OCTOBER TERM—1949.

No. 331.

BERNARD EDWARD CO.,
Petitioner,

vs.

DOUGLASS R. FALKENBERG,
Respondent.

RESPONDENT'S ANSWER TO PETITIONER'S REPLY BRIEF.

A reply brief is deemed advisable for the purpose of showing that petitioner's reply brief is, in the main, a presentation of a different line of reasoning than has hitherto been presented to support the contention that respondent has misused his patent.

In its original brief petitioner contended that improper use of the patent in suit arose because the owner required purchase from him of hangers not covered by the combination claim (15) in that, as repeatedly urged by petitioner before the Trial and Appellate courts, the hanger is not the complete claim 15, or, as the Court of Appeals termed it in its decision (R. p. 159) "less than the full claim." Also, on page 15 of its original brief petitioner refers to the unprotected device as being the unpatented hanger "(insofar as Claim 15 is concerned)."

Now, in its reply brief, petitioner bases its assertion of misuse on the fact that different bracket structures are set forth in the respective Claims 14 and 15 stating (p. 5), "We reiterate that the language of Claim 14 would have to be identical with the language covering the bracket of

Claim 15 for the bracket of Claim 15 to *be a patented part,*" and petitioner quotes and analyzes the claims at issue, Nos. 14 and 15, on pages 2 and 3 of its reply brief.

This varied line of reasoning on the part of petitioner, to uphold its contention of misuse of the patent, is an indirect attack on the validity of combination Claim 15. It is respectfully represented by respondent that the question of validity is not before the Court and should not be considered by the Court.

Petitioner classifies the points of its reply brief, which points it alleges were not fully taken up in its original brief, under four headings set forth on pages 1 and 2 of the reply brief. Petitioner's contentions regarding the first three points are intermingled and overlapping, all being intended, however, to establish misuse of the patent in suit. In fact, misuse is a conclusion which petitioner urges that it has established under each of the first three points (pp. 5, 7, and 8, reply brief).

Respondent's answer to petitioner's contentions regarding misuse will be presented herein under one heading, the utmost effort, however, being made to consider petitioner's arguments in the order in which they are presented under its first three points, which points are argued on pages 2 to 8 of the reply brief.

ANSWER TO THE FIRST THREE POINTS OF PETITIONER'S REPLY BRIEF.

In answer to petitioner's contentions regarding the differences between Claims 14 and 15, respondent respectfully represents that there is no reason why the structure of an element of a combination claim should be necessarily set forth in the same wording as its structure in a claim directed to the element only.

On the contrary, for an article of the character of the subject matter of the patent in suit wherein the combination claim serves primarily the purpose of definitely setting

forth how two hangers cooperate to produce the selective decorative festooning, and the support is only an incidental but necessary member from which to suspend the two otherwise separated hangers, a consideration of the patentability of one claim over another claim could well dictate a different set-up of the hanger in the individual claim from the set-up thereof in the combination claim. Such different set-up in the combination claim, however, is no warrant *per se* for concluding that the hanger part of the combination claim is an unpatented part or that the combination claim is invalid.

As to invalidity, both lower tribunals, on that question of fact, have held both claims in suit valid, unless the *Cuno* case, as was interpreted by the Trial Court, added an additional test of invention to the well known test of more ingenuity than the skill of the calling.

Inasmuch as petitioner bases his conclusion as to the necessity of the language of Claim 14 being identical with the language covering the bracket of Claim 15 upon the allegation (p. 3, reply brief) that there is no claim "in the entire Falkenberg patent" which corresponds identically with the hangers claimed as a part of Claim 15, and states (p. 4) that "no other claim" of the patent in suit covers the bracket if constructed in accordance with Claim 15, respondent respectfully refers to the fact gathered from the record (p. 127) that Claim 13 of the patent in suit, directed to the hanger *per se*, is essentially similar to the hanger part of combination Claim 15. Such similarity also exists between Claim 14 to the hanger *per se* and either of the hanger parts of combination Claim 15 except that the hanger Claim 14 includes the additional extension element.

Petitioner in its reply brief (pp. 2, 3) notes many other alleged detail differences between Claim 14 and the hanger part of combination Claim 15, but these alleged differences are based upon a misconception of the import of the lan-

guage of Claim 15. Based on the description and drawings forming part of the patent in suit, Claim 15 is interpreted as follows:

> *In drapery mountings, the combination with a support* (1, Fig. 1 of the patent; R. p. 119)
>
> *of a pair of hangers* (3 and 3, Fig. 1 of the patent; R. p. 119) *secured to the support and inclined toward each other,*
>
> *the hangers being formed with chambers* (11, Fig. 3 of the patent; R. p. 121) *having spaced open-ended* (26) *entrances* (10) *for the sliding passage into the chambers of folded drapery material* (col. 3 of the patent, line 66 to line 12, col. 4; R. p. 126)
>
> *whereby there is provided by the chambers a flexible accommodation for material to facilitate selective decorative dependent draping of the material from the hangers* (Col. 4 of the patent, lines 22-28; R. p. 126).

From the above interpretation of Claim 15 it may be noted that petitioner is in error when it says (p. 3, reply brief):

> "Furthermore, Claim 14 includes
>
> 'a body having a succession of spaced slots intersecting the periphery thereof'
>
> and also includes
>
> 'chambers which are continuations of the respective slots.'
>
> None of these elements are found in Claim 15,"

since the hangers of Claim 15 have chambers and these chambers have entrances whereby sliding passage into the chambers of *folded* drapery material may be effected, and these entrances are open-ended and are spaced. "Spaced" and "open-ended" can refer only to the *peripheral* or exterior portions of the sliding entrances since the chamber ends of the entrances would necessarily be open; otherwise, the "entrances" would not be entrances.

Petitioner's statements at the bottom of page 3 and on pages 4 and 5 of its reply brief regarding holdings in the case of

Mercoid Corporation v. Mid-Continent Inv. Co., 320 U. S. 661, 667,

are contrary to what respondent understands the following passages from the *Mercoid* case to mean:

(P. 663):

"(1) The controversy centers around the license agreement between Mid-Continent and Minneapolis-Honeywell. By that agreement Minneapolis-Honeywell received an exclusive license to make, use, sell, and to sub-license others to make, use, and sell the Cross combination patent No. 1,758,146. The royalty payments under the license, however, were to be based only upon sales of the combustion stoker switch which was an element of the combination patent embodied in the patented article *but which was itself unpatented.* The license agreement was construed by the Circuit Court of Appeals to mean that the royalty payments were to be made *only on switches used for fire maintenance purposes under the Cross patent.* And Minneapolis-Honeywell in advertising its stoker switches stated that *the 'right to use' the Cross system patent was 'only granted to the user' when the stoker switches of Minneapolis-Honeywell were purchased from it and used in the system,*" and

(P. 666):

"The patent is a privilege. But it is a privilege which is conditioned by a public purpose. It results from invention and is limited to the invention which it defines. When the patentee ties something else to his invention, he acts only by virtue of his right as the owner of property to make contracts concerning it and not otherwise. He then is subject to all the limitations upon that right which the general law imposes upon such contracts. The contract is not saved by anything in the patent laws because it relates to the

> invention. If it were, the mere act of the patentee could make *the distinctive claim of the patent attach to something which does not possess the quality of invention.* Then the patent would be diverted from its statutory purpose and become a ready instrument for economic control in domains where the anti-trust acts or other laws not the patent statutes define the public policy." (Emphasis added in both quotations.)

Neither does respondent find any warrant in the case of *Mercoid Corporation v. Mid-Continent Inv. Co.*, 320 U. S. 661, 667, 668, for the statement at the bottom of page 5 of the reply brief as follows: "When Courts use the word 'unpatented' in discussing combination claims, *they mean that the part is unpatented insofar as that claim under consideration is concerned.*" Nothing is stated in the *Mercoid* case to the effect that the entire consideration of the matter of misuse is based on only one claim of a patent, or only one element of a claim, since the *Mercoid* case states (p. 667):

> "The patent is employed to protect the market for a device *on which no patent has been granted*" * * *
>
> "Since none of the separate elements of the combination is claimed as the invention, none of them when dealt with separately is protected by the patent monopoly."

Respondent *has a claim* to one element of his combination Claim 15, and, as a part of the record (p. 127) before the court, Claim 13 of the patent in suit may be noted.

Defendant was charged with infringement of Claim 13 along with other claims mentioned in interrogatories propounded by plaintiff (R. p. 6) but to simplify proceedings at the trial plaintiff elected to rely upon Claims 14 and 15 (R. p. 15). Significantly, the proof offered by petitioner in defense in this case is no different from that mentioned in its Answer.

Petitioner in its reply brief (pp. 3 and 4) has argued relative to all of the claims of the patent in suit.

Petitioner asserts (p. 5, reply brief) that the Kirsch Company as a "licensee" is in the same position as the licensee in the *Mercoid* case (320 U. S. 661, 667). The designation of the Kirsch Company, however, as a licensee is not in accordance with the usually accepted definition of a licensee. The Kirsch Company is merely an exclusive distributor of the products which are made entirely and solely by respondent. There is nothing in the record as to any arrangement between respondent and the Kirsch Company other than appears from the following testimony on this point (R. pp. 42, 43):

"Q. Are you presently in your own business, Mr. Falkenberg?

A. Yes.

Q. You never assigned that patent?

A. No.

Q. Have you licensed it to anyone?

A. No.

* * * * *

Q. What is your connection with the Kirsch Company?

A. With the Kirsch Company? They distribute my products.

Q. Who manufactures your products?

A. I do.

Q. Are they your exclusive distributor?

A. Yes, they are."

The Kirsch Company purchases brackets from respondent and in turn sells them to the trade. The brackets as purchased by Kirsch are covered by claims of the patent in suit other than Claim 15, as are the brackets of petitioner. Obviously, any purchaser of brackets from Kirsch would obtain an implied license to use them, but that is no different from the ordinary situation of anyone who purchases any patented article. The right to use a purchased article in accordance with its intended use is implied by virtue of the consideration which passes between the maker and the seller.

In fact, any discussion of the relations of record between respondent and the Kirsch Company appear superfluous since respondent could sue ultimate users of unemancipated brackets for infringement of Claim 15 whether or not he had a licensed distributor. Apparently, the bringing of the so-called licensing arrangement into the discussion is merely for the purpose of simulating the facts of the *Mercoid* case.

A defect in the reasoning of petitioner as to what was held in the case of

Philad Co. v. Lechler Laboratories, Inc., 107 F. (2) 747, 748, 749 (C. A. 2d, 1939),

appears to arise from misapplying the phrase "outside of the combination."

Possibly it might be argued (in a hypothetical case) that respondent would be restricted from selling his patented hangers on condition that they be used only on a certain type of window frame, also patented to respondent *and not embraced* by the hanger patent.

Furthermore, the *Philad* case was not a suit both upon the appliance patents and the process patents, so that the appliances, for the purpose of that suit, were regarded as unpatented. The Court said that the plaintiff might test its rights by suit for ordinary infringement of the product patents.

Respondent herein is suing petitioner for infringement of both Claims 14 and 15.

Petitioner argues concerning respondent's sins with respect to Claim 15, stating (p. 5, reply brief) that respondent is using combination Claim 15 as a club over the public to control the business in an unpatented bracket. This is a reiteration in somewhat varied language of petitioner's complaint in its original brief (p. 33) concerning the alleged seriousness of the Court of Appeals decision, this complaint being supplemented by one relating to the uncertainty about how the ultimate user will use the hanger.

However, there is no uncertainty about how petitioner intends its hangers to be used or about the explicit directions it gives the purchasers of its hangers in its direction sheets packaged with each set of its hangers (Pltf.'s Ex. 3, R. 17, 97). That direction sheet fully and in detail shows and teaches the use of petitioner's hanger, the method of draping valance material thereover and the decorative festooned valance result, all of which are substantially identical to the teachings of the patent in suit.

Petitioner can hardly complain of uncertainty regarding the ultimate user when it teaches that user of its brackets how to infringe and advises only concerning a draping which effects an infringement, and, following these directions, the user does infringe, and thus renders petitioner a contributory infringer. In fact, as fully set forth in its brief in opposition to the petition for certiorari (pp. 11, 12), respondent maintains that petitioner, by virtue of its manufacture and sale of hangers and the showing and teachings in its circular regarding the use of the same, is a direct infringer of Claim 15.

A casual inspection of petitioner's circular will show the complete product and result of combination Claim 15 to which petitioner's bracket contributes. Petitioner makes certain that there will be no capricious conduct by users which would not be an infringement. Petitioner makes certain that its hanger will be used in an infringing manner.

Respondent in its notice of infringement sent to petitioner (R. p. 7) made no charges regarding any type of hanger other than that illustrated by petitioner's Beco All Plastic Valance Hanger. This is the hanger illustrated in and whose use is explained and described in Plaintiff's Ex. 3 (Def. Instruction Sheet, R. pp. 17, 97). It is the hanger of which Plaintiff's Ex. 1 (R. p. 15) is a sample. Petitioner acknowledges (R. pp. 16, 21) that these Exhibits 1 and 3 are samples of the hanger which it manufactures and correctly describes the way in which it is intended to be used.

The record is barren of any evidence regarding other types of hanger made and sold by petitioner or other ways of using hangers for decorative valance festooning.

The actual merit of the matters presented by petitioner under points 1, 2, and 3 of its reply brief appear to be fully and correctly resolved,

AS TO INFRINGEMENT

by the finding of the Trial Court, adopted by the Court of Appeals, to the effect that the evidence clearly shows that defendant set out to, and actually did, copy plaintiff's device, and that the only basic difference between the two devices was an addition by defendant which tends to accentuate the copying rather than differentiate it;

AS TO VALIDITY

by the finding of the Trial Court to the effect that plaintiff's hanger was novel, presented a genuine improvement in the drape-hanging trade, and had remarkable public acceptance, elements which under the state of the law, except as the latter was changed by the "flash of genius" necessary to constitute invention which the Trial Court interpreted as having been declared in the *Cuno* decision, would probably combine to produce patentable invention;

and

by the finding of the Court of Appeals to the effect that all of the prior art patents argued in its court were issued at least fifteen years prior to plaintiff's filing date, that Berglund operates at the lower or sill level of the window, enters the picture after the draping expertly formed at the top of the window has been effected, both the devices of appellant and appellee effecting graceful falls of the material depending from the top of the window, that neither Law nor Kuhnel could be used for festooning, that Kimball would not produce uniform and symmetrical ornamental

draping, and that the claims in suit are not anticipated by any of the patents cited by defendant; and

AS TO MISUSE

by the fact that there is nothing in the record to excite even a suspicion that respondent has used his patent to secure benefits beyond the scope of his patent grant.

ANSWER TO POINT 4 OF PETITIONER'S REPLY BRIEF.

Petitioner now asserts (pp. 2, 8) that the decision of the Court of Appeals gave the patent in suit the "status of a 'pioneer' patent." However that may be, respondent is satisfied to rely upon the patent rating found by the Court of Appeals (R. p. 159) as follows:

> "We are of the opinion that the claims in suit are not invalidated by any of the patents cited by defendant."

Petitioner also states in his reply brief, p. 9, that "neither Claims 14 or 15 recite disposition of the hangers on the window frame at the top corners thereof." In answer to this contention, respondent respectfully directs attention to the description and drawings of the patent in suit, and also to the fact that Claim 14 is directed to the decorative *hanging* of draperies, and that Claim 15 is directed to *dependent draping* of the material from the hangers.

CONCLUSION.

Respondent respectfully urges that nothing is presented in petitioner's reply brief warranting the granting of the petition for certiorari, and prays that the petition be denied.

Respectfully submitted,

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